

7,900 Local Seniors Receive Checks to Help Cover Prescription Drug Costs as a Direct Result of Health Insurance Reform

Today, Congresswoman Doris Matsui (D-Sacramento) announced that more than one million seniors and other Medicare beneficiaries nationwide have now received checks to help close the prescription drug coverage gap commonly referred to as "the donut hole." Under the Affordable Care Act, seniors who fall into the drug donut hole coverage gap in 2010 receive this one-time, tax-free \$250 rebate check; additional cost-saving measures will occur every year until the gap is fully closed in 2020. This week, the fourth round of the donut hole checks were sent out nationwide — reaching 102,834 Californians, and an estimated 7,900 Sacramentans in total. Medicare recipients don't have to do anything to get the \$250 check — once their drug costs for the year hit \$2,830, the one-time check will be issued automatically.

FOR IMMEDIATE RELEASE

Wednesday, September 1, 2010

CONTACT: MARA LEE

(202) 225-7163

7,900 Local Seniors Receive Checks to Help Cover Prescription Drug Costs as a Direct Result of Health Insurance Reform

Congresswoman Matsui Announces Over 100,000 Californians, 1 Million Nationwide Have Now Received \$250 "Donut Hole" Checks

SACRAMENTO, CA — Today, Congresswoman Doris Matsui (D-Sacramento) announced that more than one million seniors and other Medicare beneficiaries nationwide have now received checks to help close the prescription drug coverage gap commonly referred to as "the donut hole." Under the Affordable Care Act, seniors who fall into the drug donut hole coverage gap in 2010 receive this one-time, tax-free \$250 rebate check; additional cost-saving measures will occur every year until the gap is fully closed in 2020. This week, the fourth round of the donut hole checks were sent out nationwide — reaching 102,834 Californians, and an estimated 7,900 Sacramentans in total. Medicare recipients don't have to do anything to get the \$250 check — once their drug costs for the year hit \$2,830, the one-time check will be issued automatically.

The donut hole coverage gap is where beneficiaries pay 100 percent of the cost of their prescription drugs until they hit the catastrophic coverage threshold. An estimated one in 10 seniors and other Medicare beneficiaries hit the donut hole coverage gap at some point, a problem which was created by prescription drug reforms put in place by the previous Administration. Since the implementation of those policies, the donut hole has left thousands of seniors to choose between buying the prescriptions they need and putting food on the table. But as a result of the new health insurance reform law, 4 million seniors across the country are expected to receive a donut hole check over the next several months to help them cover these costs.

"Many of our local seniors are spending thousands of dollars each year for prescription drugs, which is jeopardizing their financial stability and their ability to make ends meet," stated Congresswoman Matsui. "These checks are a down payment on reducing prescription drug costs for seniors and eventually closing the donut hole altogether. It is also an important example of how the health care reform bill will strengthen Medicare and help seniors."

In fact, the \$250 checks are just one benefit from health reform for seniors in the Medicare Prescription Drug program. Beginning January 1st, 2011, seniors in the donut hole will receive a 50 percent discount on brand name drugs. By 2020, the donut hole will be completely closed. Under the health insurance reform legislation, other benefits for seniors include:

- Expanding home and community-based services to keep seniors in their homes.
- Improving seniors' health care by helping doctors and other health professionals communicate effectively and coordinate care.
- Providing seniors with free preventive care services like mammograms and certain colon cancer tests and a free annual physical.
- Strengthening Medicare by extending its solvency by an additional 12 years, from 2017 to 2029.

"Seniors need to know all the benefits of the health insurance reform law — and for many, news of these checks are coming at a critical time," added Congresswoman Matsui.

For more information about the Affordable Care Act, please visit www.matsui.house.gov/healthcare.

#